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Weathering the storm: convergence, divergence and the robustness of the 'worlds of welfare'

Abstract

Esping-Andersen's 'three worlds of welfare' typology has been the subject of an intensive and unrelenting academic debate for the past decade. This debate has been fairly extensive in its, overwhelmingly negative, evaluation but it has ignored what is arguably the most important aspect of the assessment of the typology: its robustness and validity over time. This paper provides such an assessment by presenting an updated version of Esping-Andersen's decommodification index. It compares the new index with Esping-Andersen's original and uses it to judge both the continuing validity of the 'three worlds of welfare' and broader theories that have been circulated about the convergence of welfare states.

Introduction

How we classify welfare states has long been a central issue in comparative social policy (Wilensky & Lebaux, 1958; Titmus, 1974; Therborn, 1987; Esping-Andersen, 1990; Castles and Mitchell, 1993). Recently, the literature has been dominated by Esping-Andersen's 'three worlds of welfare' typology and the on-going intensive academic debate that has surrounded it (Esping-Andersen, 1990; 1999; Lewis, 1992; Leibfreid, 1992; Castles & Mitchell, 1993; Orloff, 1993; Borchost, 1994; Daly, 1994; Kangas, 1994; Ragin, 1994; Ferrera, 1996; Shalev, 1996; Bonoli, 1997; Albrahamson, 1999; Goodin, 1999; Sainsbury, 1999; Pitruzzello, 1999; Arts and Gelissen, 2002; Kasza, 2002; Bambra, 2004). His 'three worlds' thesis has been criticised from a variety of angles: the range (Leibfreid, 1992; Castles & Mitchell, 1993; Ferrera, 1996;

Bonoli, 1997), the methodology (Kangas, 1994; Ragin, 1994; Shalev, 1996; Pitruzzello, 1999), the usefulness of the regime concept (Kasza, 2002), and the absence of gender in the typology (Lewis, 1992; Orloff, 1993; Borchost, 1994; Daly, 1994; Sainsbury, 1999). However, this barrage of overwhelmingly negative commentary ignores and hides what is the most important aspect of the assessment of the typology: its robustness and validity over time.

Esping-Andersen's typology was originally published in 1990, but the labour market data upon which it was based was from 1980 (Esping-Andersen, 1990: 50). In the time between then and now, welfare states have been subjected to a changed environment in which they experience significant pressures such as the globalization of national economies, high unemployment and low economic growth, and changes in demographic structure (Esping-Andersen, 2000; Rhodes, 1997; Castles, 2002). It has been suggested that these pressures have resulted in a process of welfare state reform and retrenchment that has decreased the differences between types of welfare state (Boyer and Drache, 1996; Hirst and Thompson, 1996; Milner and Keohane, 1996; Mishra, 1996; 1999; Rhodes, 1997) and the nature of the provision they offer: welfare state convergence via a 'rush to the bottom' (Callinicos, 1994; Strange, 1996; Greider, 1997; Martin and Schumann, 1997; Rodrik, 1997; Gray, 1998). It is theorised from this position, that given these changes, Esping-Andersen's 'outdated' 1980s typology of pre-globalization welfare states is no longer of any utility as it 'cannot be' robust over time. However, there is a competing position in the comparative social policy literature that rejects the theoretical claims of convergence made by the globalization school and suggests, largely through cross-national empirical analysis, that welfare states have been relatively resilient over the last two decades and have thereby

maintained their diversity (Pierson, 1994; 1996; 1998; 2001; Navarro, 1999; 2000; Alber and Standing, 2000; Esping-Andersen, 2000; Ferrera and Rhodes, 2000; Kuhnle, 2000; Scharpf and Schmidt, 2000; Castles, 2001; Leibfreid, 2001; Huber and Stephens, 2001; Taylor-Gooby, 2001; 2002). This approach suggests that Esping-Andersen's typology is likely to still be valid and that it has remained robust.

This paper will engage with both this debate and the one that has surrounded Esping-Andersen's typology by presenting an updated version of the labour market decommodification index upon which the majority of Esping-Andersen's regimes typology was based. This will be used to construct a new typology of welfare states which will be directly compared with Esping-Andersen's original. This will be used to test two hypotheses drawn from the debates in the literature as they apply to Esping-Andersen's typology of welfare states:

- Hypothesis 1 - Convergence: the 'worlds of welfare' have begun to disintegrate; Esping-Andersen's thesis has not been robust; and the globalization thesis is given credence.
- Hypothesis 2 - Divergence: the 'worlds of welfare' have remained relatively unchanged; Esping-Andersen's thesis is robust and of continued value; and the assertions of globalization theorists are shown to be questionable.

The paper proceeds with a brief overview of Esping-Andersen's typology and the debate that has emerged about it. It then presents the updated decommodification index and the resulting typology. This is compared and contrasted with Esping-

Andersen's original and the paper concludes with a discussion of the changes and continuity between the two typologies in relation to the hypotheses and the debates about welfare state regimes and the extent of welfare state change.

The three 'worlds of welfare'

In 'The Three Worlds of welfare Capitalism' (1990: 2), Esping-Andersen argues that 'existing theoretical models of the welfare state are inadequate' as their analysis relies too heavily upon the misleading comparison of aggregate welfare state expenditure. The focus on total expenditure figures conceals the variety of state approaches to welfare; as 'even if the lion's share of expenditure or personnel serves welfare aims, the kind of welfare provided will be qualitatively different, as will its prioritisation relative to competing activities' (1990: 1). He asserts that it is therefore more beneficial to focus upon what a welfare state does, rather than how much money it is afforded. On this basis, Esping-Andersen presents a typology of welfare states based upon the operationalization of three principles: decommodification which examines the extent to which an individual's welfare is reliant upon the market, levels of social stratification which examines the role of welfare states in maintaining or breaking down social stratification; and the private-public mix which focuses on the relative roles of the state, the family and the market in welfare provision. The application of these principles via the creation of statistical indexes leads to the division of welfare states into three regime types: liberal (UK, USA, Ireland, Canada, Australia), conservative (Germany, France, Austria, Benelux countries and Italy); and social democratic (Denmark, Finland, Norway, Sweden).

In the welfare states of the liberal regime (UK, USA, Ireland, Canada, Australia), state provision of welfare is minimal, benefits are modest and often attract strict entitlement criteria; and recipients are usually means-tested and stigmatized (Esping-Andersen, 1990: 26). In this model, the dominance of the market is encouraged both passively, by guaranteeing only a minimum, and actively, by subsidizing private welfare schemes (Esping-Andersen, 1990: 27). The liberal welfare state regime thereby minimizes the decommodification effects of state welfare and a stark division exists between those, largely the poor, who rely on state aid and those who are able to afford private provision

The conservative welfare state regime (Germany, France, Austria, Benelux countries and Italy) is distinguished by its 'status differentiating' welfare programs in which benefits are often earnings related, administered through the employer; and geared towards maintaining existing social patterns. The role of the family is also emphasized and the redistributive impact is minimal. However, the role of the market is marginalized, and therefore Esping-Andersen places it between the low decommodifying liberal regime and the highly decommodifying social democratic regime (1990: 27).

The 'third world of welfare', the social democratic (Nordic countries), is the clearly the smallest regime cluster. Its provision is characterized by universal and comparatively generous benefits, a commitment to full employment and income protection; and a strongly interventionist state. The state is used to promote social equality through a redistributive social security system. Unlike the other welfare state regimes, the social democratic regime type 'promotes an equality of the highest

standards, not an equality of minimal needs' (Esping-Andersen, 1990) and it provides 'a mix of highly decommodifying and universalistic programs' (1990: 28).

The 'worlds of welfare' debate

This 'three worlds' typology has sparked a volatile and ongoing debate (Sainsbury, 1999a; 1999b; Goodin, 1999; Pitruzzello, 1999; Arts and Gelissen, 2002; Kasza, 2002; Bambra, 2004) and, indeed, much of the burgeoning comparative welfare state literature since 1990 can be seen as a 'settling of accounts' with Esping-Andersen (Pierson, 1999: 175). Four substantive critiques of his typology have emerged: the range (Leibfreid, 1992; Castles & Mitchell, 1993; Ferrera, 1996; Bonoli, 1997); the methodology (Kangas, 1994; Ragin, 1994; Shalev, 1996; Pitruzzello, 1999); the usefulness of the regime concept (Kasza, 2002); and the omission of gender in the analysis (Lewis, 1992; Orloff, 1993; Borchost, 1994; Daly, 1994, Sainsbury, 1999).

The limited range

The range of countries used to construct Esping-Andersen's typology has met with criticism (Leibfried, 1992; Castles & Mitchell, 1993; Ferrera, 1996; Bonoli, 1997). Leibfreid (1992), Ferrera (1996) and Bonoli (1997) assert that a distinctive fourth type of welfare state regime is emerging in the countries of the Latin rim of the European Union (Spain, Portugal, Greece and to a lesser extent Italy). Leibfreid (1992) describes these welfare states as 'rudimentary' because they are characterised by their fragmented system of welfare provision which consists of diverse income maintenance schemes that range from the meagre to the generous and a health care system that provides only limited and partial coverage.

Castles and Mitchell (1993) similarly challenge the notion that there are only three worlds of welfare. They cross-classify the same 18 OECD nations used by Esping-Andersen and examine their high and low aggregate expenditure levels, and their high and low degrees of benefit equality. On the basis of this analysis, they claim that a fourth, 'radical', world of welfare should be added to the thesis (Castles & Mitchell, 1993: 107). They argue that the UK, Australia and New Zealand constitute a 'radical' form of welfare state regime, one in which 'the welfare goals of poverty amelioration and income equality are pursued through redistributive instruments rather than by high expenditure levels' (Castles & Mitchell, 1993: 107).

The methodological approach

A more general methodological critique of Esping-Andersen has been developed through the use of cluster analysis. Kangas (1994) performed a cluster analysis of indicators of sickness insurance for the same 18 OECD countries. The results broadly confirmed Esping-Andersen's 'three worlds' thesis although the existence of a coherent liberal regime was questioned: no clear liberal regime cluster was identified as whilst the UK, Ireland, New Zealand and Australia were merged together, the USA and Canada were separate outliers. However, a more comprehensive cluster analysis (Pitruzzello, 1999) of all three of Esping-Andersen's decommodification factors (sickness, pensions and unemployment) revealed a number of significant discrepancies. Pitruzzello's research showed significant support for the existence and distinctiveness of welfare regimes, but it challenged the empirical accuracy of the 'three worlds' typology: Australia, New Zealand, the UK and Ireland were identified as a distinctive fourth cluster and the Southern European countries were seen as a sub-

group of the corporatist cluster. This suggested that there could be four or five ‘worlds of welfare’ (Pitruzzello, 1999: 23-50).

The ‘illusion’ of welfare state regimes

Kasza (2002) has questioned the validity of the regimes concept itself. He argues that the concept of welfare regimes incorporates two flawed assumptions: firstly, that most of the key social policy areas, such as income maintenance, education, health or housing, within a welfare regime will reflect a similar, across the board, approach to welfare provision; and secondly, that each regime type itself reflects ‘a set of principles or values that establishes a coherence in each country’s welfare package’ (Kasza, 2002: 272). Kasza asserts that instead of an internal policy homogeneity or cohesion, welfare states and welfare regimes exhibit significant variation across different areas of social provision. He asserts that the regime concept therefore ‘does not capture the complex motives that inform each country’s welfare programs’ and, in pursuit of consistency, it ignores the fact that different areas of welfare state provision exhibit different cross-national variations.

The gender blind ‘worlds of welfare’

This is perhaps the most developed and influential critique of the ‘three worlds of welfare’ (Esping-Andersen, 1999). Feminist commentators, such as Langan & Ostner, 1991; Lewis, 1992; Borchost, 1994; Bussemaker and Kersbergen, 1994; Daly, 1994; Hobson, 1994; Lewis and Ostner, 1995; Sainsbury, 1994, 1999, have argued that Esping-Andersen’s ‘three worlds of welfare’ typology is deeply flawed because it marginalized women in its analysis. Aside from the overt absence of women in Esping-Andersen’s analysis, the critique revolves around three other issues: the

gender blind concept of decommodification (Daly, 1994; Hobson, 1994; Lewis, 1992), the unawareness of the role of women and the family in the provision of welfare (Borchost, 1994; Bussemaker and Kersbergen, 1994; Daly, 1994), and the lack of consideration given to gender as a form of social stratification (Bussemaker and Kersbergen, 1994). These criticisms have in turn led to both theoretical attempts to 'gender' Esping-Andersen's analysis (for example, Orloff, 1993; O'Connor, 1993), and the construction of alternative welfare state typologies in which gender has been a more overt and centralised part of the analysis (for example Lewis, 1992; Lewis and Ostner, 1995; Sainsbury, 1999). These alternative typologies, although often flawed themselves (Esping-Andersen, 1999), have undermined the comprehensiveness and generalizability of the 'three worlds of welfare' thesis - especially in respect to any claims about women, welfare and the family.

This paper does not dispute that some of these criticisms are valid, however, the overwhelmingly negative nature of the debate that has surrounded the 'three worlds' typology has obscured the most important aspect of the typology: its robustness and validity overtime. This will now be explored through the reconstruction of Esping-Andersen's decommodification index.

Decommodification

In this paper, the reconstruction of Esping-Andersen's typology is limited to the recreation and updating of the decommodification index as this is the more substantial influence on the final composition of the typology (Esping-Andersen, 1990: 26-29, 52) and furthermore, it is the easier to reconstruct in terms of data availability and comparability.

The concept of decommodification essentially relates to ‘the extent to which individuals and families can maintain a normal and socially acceptable standard of living regardless of their market performance’ (Esping-Andersen, 1987: 86). Commodification on the other hand refers to the extent to which workers and their families are reliant upon the market sale of their labor. Labor became extensively commodified during the industrial revolution as workers became entirely dependent upon the market for their survival (Esping-Andersen, 1990: 21). In the 20th century, the introduction of social rights that entailed entitlement to social welfare brought about a ‘loosening’ of the pure commodity status of labor. The welfare state decommodified labor because certain services and a certain standard of living became a right of citizenship and reliance on the market for survival decreased (1990: 22). However, it must be noted that under capitalism, whilst the pure commodification of labor is possible, its pure decommodification is not (O’Connor, 1993: 61). The issue for the index is therefore the relative degrees of protection from dependence on the labor market provided by different welfare states.

The decommodification index attempts to operationalize this concept of relative decommodification and thereby measure the extent of decommodification in each welfare state. It is based upon the scores given to each country for their relative relationship with a number of factors which are selected for their perceived usefulness in determining the relationship between an individual’s welfare and the market. Esping-Andersen constructs three separate decommodification indexes; one for pensions, one for unemployment benefits and another for sickness benefits, he then combines the scores for these to provide one overall decommodification index.

Decommodification index

The updated labor market decommodification index is constructed in the same way as Esping-Andersen's labor market indexes even though this methodology has certain drawbacks, such as the use of averaging, and has met with some criticism within the literature (Castles and Mitchell, 1993; Kangas, 1994; Ragin, 1994; Shalev, 1996; Pitruzello, 1999). The index has to replicate Esping-Andersen's method to ensure compatibility and to be a valid test of robustness and divergence or convergence.

Countries

The decommodification index includes the same 18 OECD countries used by Esping-Andersen in the 1980s: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, UK, and USA.

Data and Sources

The data used to compile the updated index relates to the years 1998 and 1999. Some difficulties were encountered in locating and accessing the necessary data to construct the updated decommodification index. For example, there was no database that directly quantifies the coverage rate of pensions, unemployment benefit and sickness benefit for all of the 18 countries. However, a number of steps were taken to ensure comparability between the new decommodification index and Esping-Andersen's original. Firstly, whilst the OECD now contains 29 countries, only the 18 countries used by Esping-Andersen in his original calculations have been included in the index. Secondly, where possible, the same data sources used by Esping-Andersen have been

drawn upon. Thirdly, the same factors have been used for each of the updated indexes. Finally, the majority of data that has been used is of an international nature (such as that published by Eurostat, the UN or the OECD). The international nature of this data has helped to minimize any cross-national differences over the measurement, definition and collection of data. These measures should ensure data comparability both between countries and between Esping-Andersen's original index and the one in this paper.

Measures

The decommodification index is based on the assessment of a number of factors relating to the three main income maintenance programmes: pensions, unemployment, and sickness.

TABLE 1 HERE

Method

The process of scoring for each of the three constituent schemes in the decommodification index (pensions, unemployment and sickness) replicates that used by Esping-Andersen (1990: 50-54) and is by way of the numerical description of the relationship of an individual country's score to the mean (and standard deviation) for four (1-4) of the five factors that make up each index. On the basis of the values on each of these four indicators for the 18 nations, a score of 1 for low decommodification; 2 for medium; and 3 for high decommodification was given.

FIGURE 1 HERE

Following Esping-Andersen, the classification into three scores has been done on the basis of one standard deviation from the mean with adjustment where necessary for extreme outliers (1990:54). This score has been weighted by factor 5 - the percent of the (relevant) population covered by the program. In line with Esping-Andersen's approach and his concern for the importance of replacement rates, these variables have been given extra weight (multiplied by the factor of 2) in each index. Finally, the results of these three separate indexes, pension, unemployment and sickness, have been combined to give the overall decommodification score for each country (see Appendix).

Therefore, for example, for the pensions decommodification index, a score of 1 (low decommodification), 2 (medium decommodification) or 3 (high decommodification) is given to each country based upon how their score relates to the mean for each of the first four factors: (1) Minimum pension benefits for a standard production worker expressed as a replacement rate (double weight), (2) Standard pension benefits for a standard production worker, (3) Contribution period required to qualify for a pension (scored inversely); and (4) Individual's share of pension financing (Esping-Andersen, 1990: 54). The score for each of these factors is then combined and weighted by the fifth factor, in the case of pensions, the coverage rate. This figure is the overall decommodification score for that country for pensions. This process is repeated for the unemployment and sickness decommodification indexes in order to provide the final decommodification score for each country.

Results

The assessment and combination of these factors (see appendix for details of individual factor data) produces an indicative decommodification index:

TABLE 2 HERE

This index shows a wide range of decommodification scores, from New Zealand's score of 11.5 to the highest score of 34.7 awarded to Sweden. The majority of countries fall in between 22 (Ireland) and 32 (Belgium). None of the scores are surprisingly high or surprisingly low and those allotted to each country, and the range of scores, are very similar to those under Esping-Andersen's index (Esping-Andersen, 1990: 54). This suggests that there has been no great change in the relative decommodification rates of the index countries. In order to make a more informed comparison between the results of this decommodification index and Esping-Andersen's typology the, mean plus/minus SD, method used to construct the index can be continued in order to place the countries into one of three groups. This process produces a comparable typology through which the relative relationships of countries can be explored:

TABLE 3 HERE

There are striking similarities between Esping-Andersen's regimes and the decommodification groups based on current data. The majority of countries are placed in similar groupings as in Esping-Andersen's index. For example, Australia, Ireland, New Zealand, the UK, and the USA are in the lowest decommodification group; Austria, Belgium, France, Germany, the Netherlands and Switzerland are still in the

medium level of decommodification group; and Norway and Sweden are still the highest scoring countries. There are some slight differences in group composition as Canada is now found in the medium decommodification Group 2 whereas previously it had been in the low decommodification Liberal regime. Another change at this end of the index is Japan's move from the Conservative regime (medium decommodification) to Group 1 (low decommodification). Group 3 (high decommodification) also shows a change as Denmark has moved into Group 2 (medium decommodification). However, overall the differences between the two typologies are very slight - only 3 countries have changed position - and the emphasis is therefore on continuity rather than change in respect of the relative scores and relationships of the 18 countries.

Discussion

Earlier in the paper two competing hypotheses were outlined, one that emphasized the convergence of welfare states (hypothesis 1) and the other that focused on resilience and continued divergence (hypothesis 2). It is useful to briefly return to these hypotheses in the context of the comparison of the two typologies. Hypothesis 1, that welfare states have converged and that Esping-Andersen's 'worlds of welfare' have begun to disintegrate is given very little support as there have been few changes in the relative relationships of the different countries in terms of what their welfare state provision actually does, in other words, the relative levels of decommodification offered by different types of welfare state have not changed. The typologies show an overarching similarity and this suggests, in line with hypothesis 2, that Esping-Andersen's 'worlds of welfare' typology is robust and that welfare states have maintained their diversity over time.

The continued diversity of welfare states and the lack of change between the two typologies suggests that the negative debate that has surrounded Esping-Andersen's typology has somewhat missed the main point: whilst Esping-Andersen's typology had a limited number of countries (Leibfreid, 1992; Castles & Mitchell, 1993; Ferrera, 1996), did not consider gender (Lewis, 1992; Orloff, 1993; Borchost, 1994; Daly, 1994; Sainsbury, 1999), and used a particular methodology (Kangas, 1994; Ragin, 1994; Shalev, 1996; Pitruzzello, 1999); it is still a valid, if generalized, way of dividing welfare states based on their main function - decommodification. The typology has passed a formidable test of robustness and in maintaining its validity over the past twenty years it can be suggested that whilst it has some flaws, the 'worlds of welfare' typology can still offer valuable insights into the nature of welfare states, their relative relationships with one another and the extent to which they remain diverse over time and in their responses to change.

This lack of change across the two typologies also serves to undermine another aspect of hypothesis 1 - the theories of welfare state convergence propagated by adherents of the globalization school (Callinicos, 1994; Boyer and Drache, 1996; Milner and Keohane, 1996; Mishra, 1996; 1999; Strange, 1996; Rhodes, 1997; Greider, 1997; Martin and Schumann, 1997; Rodrik, 1997; Gray, 1998). Although the comparison of the two typologies can only provide a limited insight into the nature and extent of welfare state change, its suggestion that the relative relationships have remained fairly static and that there are still distinctive welfare state formations is supported by the results of other cross-national comparisons (Navarro, 1999; 2000; Alber and Standing, 2000; Esping-Andersen, 2000; Ferrera and Rhodes, 2000; Kuhnle, 2000; Scharpf and

Schmidt, 2000; Castles, 2001; Leibfreid, 2001; Huber and Stephens, 2001; Taylor-Gooby, 2001; 2002). These studies have similarly concluded that welfare states have maintained their diversity in the face of the common pressures of the last twenty years and that whilst there have been some signs of reform and retrenchment, this has been done in a path dependent manner (Pierson, 1994; 1996; 1998; 2001). Welfare state institutions have evolved in distinctive ways and the patterns of retrenchment have been different in each country and type of welfare state. There has not been a wide scale retrenchment in line with the liberal model of welfare provision (Kuhnle, 2000; Leibfreid, 2000). Far from converging around one approach as suggested by the convergence position, different types of welfare state have maintained and adapted their unique approaches by responding differently to common problems (Ferrera and Rhodes, 2000; Esping-Andersen, 2000; Pierson, 2001), they have kept their solutions to the difficulties posed by high unemployment, low economic growth and the ageing population in line with their original welfare state ethos: the social democratic welfare states have responded by increasing their active labor market policies whilst maintaining their universal system; the conservative countries have encouraged early exit from the labor market and increased the role of the family in the provision of welfare; and the liberal countries have tended to enhance the role of the market and further targeted key benefits (Esping-Andersen, 2000). These responses may falter in the future and take on more common themes but at present, the ‘worlds of welfare’ are maintaining their integrity.

Conclusion

The results of the new decommodification index and typology show that there has been little change in the relative positioning of different welfare states, that there are

still three distinctive ‘worlds of welfare’, and that despite the negativity encountered in the literature, Esping-Andersen’s approach is still of great utility in the quest to classify welfare states. Despite the passing of time and the pressures and changes experienced by welfare states, there is little change in their relative relationships and no sign yet of the convergence at the bottom prophesied by the globalization school: the typology is robust - the diverse ‘worlds of welfare’ have weathered the storm.

Appendix

TABLE 4 HERE

TABLE 5 HERE

TABLE 6 HERE

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Table 1 - Index measures

Pensions	Unemployment	Sickness
(1) Minimum pension benefits for a standard production worker earning average wages.	(1) Pre-taxation benefit replacement rates for a standard worker during the first 26 weeks of unemployment.	(1) Pre-taxation benefit replacement rates for a standard worker during the first 26 weeks of sickness.
(2) Standard pension benefits for a normal worker.	(2) Number of weeks employment prior to qualification for benefit.	(2) Number of weeks employment prior to qualification for benefit
(3) Contribution period required for a minimum pension*.	(3) Number of waiting days before benefits are paid	(3) Number of waiting days before benefits are paid
(4) Individual's share of pension financing.	(4) Usual number of weeks in which benefit can be maintained.	(4) Number of weeks in which benefit can be maintained.
(5) Percentage of the (relevant) population covered by the program.	(5) Percentage of the (relevant) population covered by the program.	(5) Percentage of the (relevant) population covered by the program.

*Esping-Andersen uses the contribution period for the standard pension as his measurement. However, due to data availability problems, the contribution period for the minimum pension benefit has been used here.

Figure 1: Decommodification Scoring Formula

	$< (mean + SD) = 3$
$Factor\ X\ (1,2,3\ or\ 4)\ \}$	$c.\ (mean) = 2$
	$> (mean + SD) = 1$

Table 2 - Degrees of Decommodification

New Zealand	11.5
Australia	13.5
USA	14.0
UK	15.4
Japan	18.3
Ireland	22.1
Italy	27.6
Germany	27.7
Canada	27.9
Netherlands	28.0
Denmark	29.0
Switzerland	29.7
Austria	31.1
France	31.5
Belgium	31.9
Norway	34.0
Finland	34.6
Sweden	34.7

Table 3 - Esping-Andersen's Regimes and the Decommodification Groups

Liberal	Group 1 - Low
Australia	Australia
Canada	Ireland
Ireland	Japan
New Zealand	New Zealand
UK	UK
USA	USA
Conservative	Group 2 - Medium
	Austria
Austria	Belgium
Belgium	Canada
France	Denmark
Germany	France
Italy	Germany
Japan	Italy
Netherlands	Netherlands
Switzerland	Switzerland
Social Democratic	Group 3 - High
Denmark	Finland
Finland	Norway
Norway	Sweden
Sweden	

Table 4: Pension decommodification index data (1998/9)

	Minimum pension benefits for a standard production worker earning average wages (expressed as a replacement rate %)	Standard pension benefits for a normal worker (expressed as a replacement rate %)	Contribution period required for a minimum pension (in years) (i)	Individual share of pension financing (%)	Labour market coverage (take-up rate %) (ii)	Index Score (iii)
Australia	20.6	25.6	R	-	50	(6.5)
Austria	33.9	-	1.5	3.7	89	(15.1)
Belgium	41.9	63	R	4.4	84	14.3
Canada	13.4	29.3	R	2.9	81	10.5
Denmark	2	27.6	R	2.7	83	9.1
Finland	-	60	R	1.5	91	(16.4)
France	40.1	-	-	0.8	85	(15.3)
Germany	0	35.3	5	6.8	84	7.6
Ireland	30.3	46.4	3	2.0	82	9.8
Italy	20	-	5	2.9	89	(10.7)
Japan	1.3	18.4	25	6.2	76	4.6
Netherlands	-	-	R	3.4	70	(10.5)
New Zealand	25.8	35.8	R	-	50	(6.5)
Norway	34	79.8	R	2.6	79	13.4
Sweden	23.4	70	R	0	87	13.9
Switzerland	19.5	-	-	4.2	76	(9.9)
UK	5	19.6	10	3.3	77	5.4
USA	-	24.9	10	5.2	87	(7.0)
Mean	22.23	41.21	8.50	3.29	79	10.4
SD	12.81	19.73	7.37	1.76	-	-

(i) R=residency requirement

(ii) The statistical sources merely use phrases such as ‘all employees’ or ‘all residents’ so these are approximate coverage rates that are based on the fact that the largest group that is most often excluded from coverage are part-time workers (Eurostat, 1997b). Means-tested programmes receive a score of only 50% for population covered. This scoring is intended to reflect the lack of rights associated with means-tested programs (Esping-Andersen, 1990: 54).

(iii) Figures in brackets are where there are missing values for some factors and the index figure is therefore based on the averaging out of available factor data.

(Sources: Clasen, 1994: 65-66; Stahlberg, 1997: 85; Eurostat, 1998: Figures 3.1, p. 51; 3.2, p. 52; Tables 3.1, p. 54-58; 3.2, p. 61-66; Eurostat, 2000: Tables 3, p. 163-197; 6, p. 289-367; 10, p. 533-591; OECD, 1988: Tables 1.1, p. 16; 2.2, p. 21; Chart 2.1, p. 19; OECD, 1995a: 13-30; OECD, 1995b: 222; OECD, 1996: Tables 1.3, p. 19; 2.7, p. 40; 2.8, p. 41; OECD, 1997: 17-29; US Census Bureau, 1999: 339-356; 378-394).

Table 5: Unemployment decommodification index data (1998/9)

	Benefit replacement rates (%) for a standard worker during the first 26 weeks	Number of weeks of employment prior to qualification for benefit	Number of waiting days before benefit is paid.	Usual number of weeks in which benefit can be maintained.	(Relevant) population covered by the programme (take-up rate %) (iii)	Index Score (iv)
Australia	-	-	-	-	50	-
Austria	22	52	0	20 (i)	89	7.1
Belgium	46	45	0	unlimited	84	10.0
Canada	55	-	-	-	81	(8.1)
Denmark	60	52	0	52	83	9.1
Finland	53	43	7	71	91	9.1
France	57	16	8	60	85	8.5
Germany	37	52	0	52 (ii)	84	9.2
Ireland	23	39	3	56	82	6.6
Italy	30	104	0	26	89	6.2
Japan	37	-	-	-	76	(7.6)
Netherlands	70	26	0	26	70	9.1
New Zealand	26	-	-	-	50	(2.5)
Norway	62	52	3	156	79	10.3
Sweden	80	26	5	43	87	10.4
Switzerland	70	-	-	-	76	-
UK	16	104	3	26	77	4.6
USA	50	-	-	-	87	(7.0)
Mean	46.71	50.92	2.42	49.00	79	7.8
SD	18.54	26.36	2.81	37.62	-	-

- (i) For every 52 weeks past employment, an employee is entitled to 20 weeks unemployment benefit.
- (ii) Levels vary with contribution record e.g. 6 months contributions provide an entitlement to 12 months unemployment benefit. The minimum 6 months has been used in this case.
- (iii) The statistical sources merely use phrases such as ‘all employees’ or ‘all residents’ so these are approximate coverage rates that are based on the fact that the largest group that is most often excluded from coverage are part-time workers (Eurostat, 1997b). Means-tested programmes receive a score of only 50% for population covered. This scoring is intended to reflect the lack of rights associated with means-tested programs (Esping-Andersen, 1990: 54).
- (iv) Figures in brackets are where there are missing values for some factors and the index figure is therefore based on the averaging out of available factor data.

(Sources: Eurostat, 1997b: 31-40; 45-55; 57-67; 91-98; 103-112; 115-125; 137-146; 147-156; 169-179; 181-193; 195-203; 213-220; Eurostat, 1998: Figures 3.1, p. 51; 3.2, p. 52; Tables 3.1, p. 54-58; 3.2, p. 61-66; Eurostat, 2000: Tables 3, p. 163-197; 6, p. 289-367; 10, p. 533-591; OECD, 1995b: 222; OECD, 2000b: Vol. 3, Table 1, p. 137).

Table 6: Sickness decommodification index data (1998/9)

	Benefit replacement rates (%) for a standard worker during the first 26 weeks of sickness	Number of weeks of employment prior to qualification for benefit	Number of waiting days before benefit is paid.	Usual number of weeks in which benefit can be maintained.	(Relevant) population covered by the programme (take-up rate %) (iii)	Index Score (iv)
Australia	26.7	-	-	-	50	(2.5)
Austria	57.7(i)	2	3	52	89	8.9
Belgium	60	26	1	52	84	7.6
Canada	-	-	-	-	81	-
Denmark	100	8	0	52	83	10.8
Finland	70	0	9	43	91	9.1
France	50	26	3	52	85	7.7
Germany	77(ii)	0	0	78	84	10.9
Ireland	26.6	39	3	52	82	5.7
Italy	100	0	3	26	89	10.7
Japan	-	-	-	-	76	-
Netherlands	70	0	0	52	70	8.4
New Zealand	38.3	-	-	-	50	(2.5)
Norway	100	2	0	52	79	10.3
Sweden	80	0	1	no limit	87	10.4
Switzerland	-	-	-	-	76	-
UK	17.5	26	3	52	77	5.4
USA	0	n/a	n/a	n/a	0	0
Mean	62.4	10.75	2.17	51.18	79	7.9
SD	27.01	13.65	2.44	11.38	-	-

- (i) 6 weeks benefit at a replacement rate of 50%, remaining weeks at 60%
- (ii) 6 weeks benefit at a replacement rate of 100%, remaining weeks at 70%.
- (iii) The statistical sources merely use phrases such as ‘all employees’ or ‘all residents’ so these are approximate coverage rates that are based on the fact that the largest group that is most often excluded from coverage are part-time workers (Eurostat, 1997b). Means-tested programmes receive a score of only 50% for population covered. This scoring is intended to reflect the lack of rights associated with means-tested programs (Esping-Andersen, 1990: 54).
- (iv) Figures in brackets are where there are missing values for some factors and the index figure is therefore based on the averaging out of available factor data.

(Sources: Eurostat, 1998: Figures 3.1, p. 51; 3.2, p. 52; Tables 3.1, p. 54-58; 3.2, p. 61-66; Eurostat, 2000: Tables 3, p. 163-197; 6, p. 289-367; 10, p. 533-591; OECD, 1988: Tables 1.1, p. 16; 2.2, p. 21; Chart 2.1, p. 19; OECD, 1995a: 13-30; OECD, 1995b: 222; OECD, 1996: Tables 1.3, p. 19; 2.7, p. 40; 2.8, p. 41; OECD, 1997: 17-29).